

Setting the foundations for change

Modern
Slavery
Statement

**Financial
Year 2020**



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Introduction

Modern slavery is a crime that is estimated to violate the fundamental human rights of some 45 million men, women and children globally, through situations of exploitation, threats, coercion and deception.

Modern slavery manifests in global supply chains, often covertly, through an array of labour rights abuses including forced labour, bonded labour, and the worst forms of child labour.

As an international group, Lendlease acknowledges the increasing expectations on organisations to address their modern slavery risks in global supply chains. Being a hidden crime, Lendlease also recognises tackling modern slavery successfully relies on strong, open collaboration with our suppliers, our people, and our key stakeholders.

Respect for human rights underpins our values, our commitment to safety and sustainability, and drives the way we work. Eliminating modern slavery from our supply chains is our fundamental goal, which we take very seriously.

We understand that due to the diverse nature of our supply chains it will require continuous improvement over a number of years, but we are a business that is in it for the long haul.



Impact of COVID-19

In April 2020, the Australian Border Force issued an information notice asking businesses to consider the impacts of COVID-19 on modern slavery risk mitigation and to provide comment in the Modern Slavery Statement.

Each of the eight countries we operate in has been in a differing phase of the COVID-19 pandemic. Consequently, our overall progress in implementing our enterprise supply chain risk initiatives (which include modern slavery risk mitigation) was impacted during the reporting period with some activities interrupted (such as labour audits), and operational and enterprise-level supply chain resourcing shifted to mobilising operational safety and contingency plans.

Generally, our supply chains remained resilient during the reporting period and existing supply chain relationships were maintained. Disruption has arisen in the ways of working on our projects and assets. Led by our Environmental Health and Safety team, we have focused foremost on upholding Lendlease's commitment to safety, for our direct workforce and subcontractors.

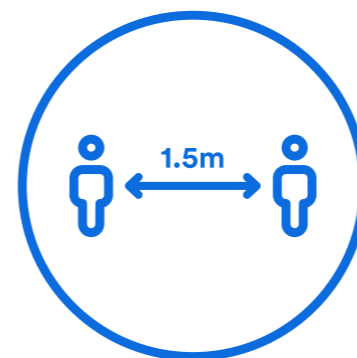
We implemented comprehensive COVID-19 safe procedures and guidelines on worksites including social distancing, personal screening response protocols for confirmed cases, hygiene measures as well as shutdown, hibernation and re-start protocols. Onsite COVID-19 awareness training for employees was rolled out across active projects. COVID-19 health information posters have been displayed in common areas with specific attention given to migrant workers in relevant regions.

Not unique to Lendlease, COVID-19 led to prioritised focus on sourcing personal protective equipment (PPE). Given the increased demand for PPE, the market was generally disrupted. Lendlease had the benefit of existing relationships with PPE suppliers which were primarily utilised. Safety and quality standards were developed for assessment of PPE products and steps were taken to raise awareness with key suppliers of our new Supplier Code of Conduct, with specific attention given to our expectations around human rights and modern slavery.

We acknowledge that the economic impacts of COVID-19 will have a disproportionately adverse impact on vulnerable worker populations. Awareness of this risk and internal knowledge sharing on risk mitigation measures (e.g. for migrant workers and responsible disengagement principles where relevant) was a specific focus for our regional Modern Slavery Communities of Practice during this period.

We anticipate our program of implementation of interrupted activities will resume, where and when safe to do so, during FY21.

Other specific commentary is provided within the various sections of this Statement.



Identifying the reporting entities

Lendlease is an international real estate and investments group, with a direct workforce of approximately 10,900* people across operations in Australia, Asia, Europe and the Americas.

Headquartered in Sydney, Australia, our people strive to create better places that leave a positive legacy, with a focus on health and safety, our customers, innovation and sustainability. Our core expertise is in shaping cities and creating strong and connected communities.



1958

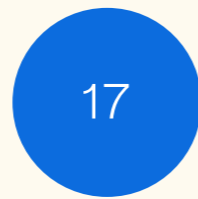
Established 1958

Founded by Dick Dusseldorp



Integrated

Real estate and investments group that constructs, develops and invests in shaping cities and creating communities



17

17 Gateway cities

Operating across Asia, Australia, Europe and Americas



Barangaroo

Headquartered in Sydney Australia



10,900*

Employees

Approximately 10,900* direct global workforce



ASX listed

Publicly listed in the 'top 200' on the Australian Securities Exchange

Lendlease Corporation Limited (ABN 32 000 226 228), incorporated in NSW Australia, together with Lendlease Trust, comprise the stapled entity Lendlease Group, listed on the Australian Securities Exchange (ASX code:LLC).

A subsidiary of Lendlease Corporation Limited - Lendlease Responsible Entity Limited (ABN 72 122 883 185) - is the Responsible Entity for the Lendlease Trust (ABN 39 944 184 773).

Lendlease also has an American Depositary Receipt (ADR) program for trading in the United States' over the counter (OTC) market under the ticker LLESY.

Lendlease Corporation Limited and the following wholly owned or controlled entities as at 30 June 2020, are identified as reporting entities for the purposes of the *Modern Slavery Act 2018 (Cth)*:

Australia

Lendlease Construction International Pty Limited

Lendlease Building Australia Holdings Pty Ltd

Lendlease Building Pty Limited

Lendlease Building Contractors Pty Limited

Lendlease Services Holdings Pty Ltd

Lendlease Services Pty Limited

Lendlease Development Pty Limited

Lendlease Communities (Australia) Pty Limited

Lendlease Communities (Atherstone) Pty Limited

Lendlease (Batman's Hill) Pty Limited

Lendlease (Carlton Connect Initiative) Pty Limited

Lendlease Engineering Pty Limited*

Lendlease Construction Australia Finance Pty Limited*

Lendlease Construction Australia Pty Limited*

Lendlease Construction Australia Holdings Limited*

Abigroup Limited*

*These entities were engaged in a sale process during FY20 which was completed on 9 September 2020.

Lendlease Corporation Limited submits this Statement as a Joint Statement on behalf of all the above reporting entities pursuant to section 14 of the *Modern Slavery Act 2018 (Cth)*.

Lendlease Europe Holdings Limited is a commercial entity for the purposes of the *Modern Slavery Act 2015 (UK)*.

Lendlease Corporation also submits this Joint Statement on behalf of Lendlease Europe Holdings Limited, pursuant to section 54 of the *Modern Slavery Act 2015 (UK)*. The wholly owned subsidiaries joined in this Statement, operating within the UK, with a total annual turnover greater than £36M are:

Lendlease Europe Limited

Lendlease Europe Finance PLC

Lendlease Construction (Europe) Limited

Lendlease Development (Europe) Limited

The Timberyard Plot 2 Limited Partnership

Lendlease (Elephant & Castle) Limited

Lendlease Residential (CG) Limited

This Statement is for the financial year ending 30 June 2020.

Statement Boundary

For notes relating to the scope of our disclosure and structure chart of UK joined entities, refer to Appendix 1 of this Statement.

* This number reflects the sale of the Lendlease Engineering business which occurred during the reporting period and was completed on 9 September 2020.

1. Lendlease Trust is a consolidated entity of the Group as the parent entity is deemed to control it. Lendlease Trust is not wholly owned.

A global platform combined with local expertise across targeted gateway cities enables us to deliver the most value. Together we create value through places where communities thrive.



Our structure, operations and supply chains

Structure

Lendlease comprises a range of entities which contributed to its total annual consolidated revenue as at 30 June 2020.

Appendix 1 a) recognises the reporting entities of Lendlease and each of their subsidiaries and other controlled entities for the purposes of reporting under the *Australian Modern Slavery Act 2018 (Cth)*. Appendix 1b) also lists the subsidiaries of Lendlease Europe Holdings Limited for the purposes of reporting under the *Modern Slavery Act 2015 (UK)*.

Refer to the [Lendlease Group Annual Report 2020](#) for further details.

Governance

Lendlease is committed to robust corporate governance policies and practices that are fundamental to the long-term success and prosperity of Lendlease and its subsidiaries. Lendlease regularly reviews its governance practices to address its obligations as a responsible corporate entity.

Refer to the [Lendlease Group Corporate Governance Statement 2020](#).

Lendlease's response to modern slavery risk mitigation is led by a dedicated risk team sitting within the Group Supply Chain function. Oversighted by the Group Chief Risk Officer and Group General Counsel, progress against our modern slavery risk mitigation strategy is routinely reported to the Group Supply Chain Steering Committee (represented by a cross-section of Lendlease's senior global leaders) and the Board's Sustainability Committee.

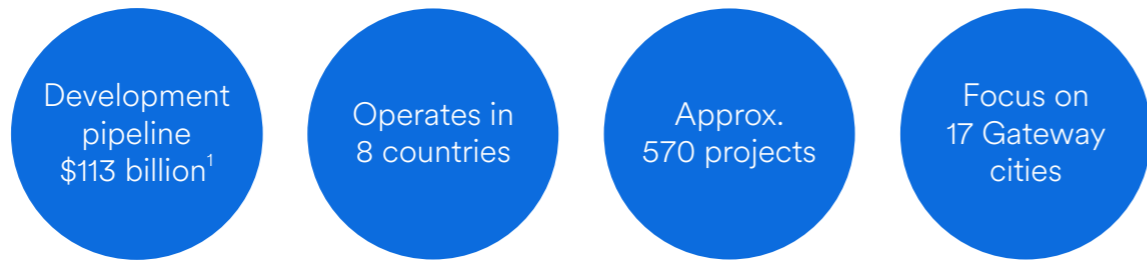
Details of our Major Urbanisation Projects as at 30 June 2020 may be found [here](#)¹.

1. Refer to https://www.lendlease.com/au/-/media/llcom/investor-relations/presentations/2020/lendlease_fy20-major-urbanisation-projects_final.pdf

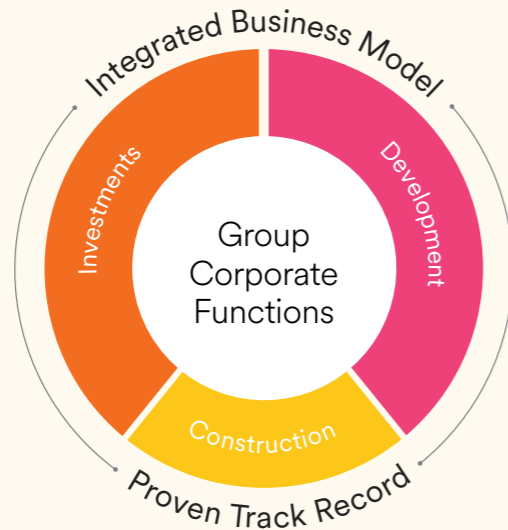
Operations

We are a globally integrated real estate and investments group.

We employ our placemaking expertise and integrated business model in global gateway cities to deliver urbanisation projects and investments that generate social, environmental and economic value.



- Investments**
- Asset Operations
 - Funds Management
 - Retirement Living
 - Unincorporated JVs



Development

- Urban Regeneration
 - Apartments
 - Commercial
- Master Planned Communities
- Retirement Living

Construction

- Project Management
- Design and Construct
- Non-core - Services and Engineering

Our operations are guided by five focus areas of value creation:



Health and Safety

Our Global Minimum Requirements (GMRs) set out a framework for controlling the key risks associated with our operations and extend to physical safety and people's health and wellbeing. Our suppliers are required to follow the GMRs when working with us.



Financial

Lendlease has been a signatory to the UN Principles for Responsible Investment since FY08 and currently holds an A+ rating.



Our Customers

Our customers are now more diverse than ever, which is why we adopt a collaborative approach, put ourselves in their shoes and consider their needs at the critical stages. Our process for continuous improvement is informed by survey insights.



Our People

We invest in developing leaders and capabilities to drive our success. Lendlease is aligned with the UN Guiding Principles of Human Rights and Business and honour the United Nations Universal Declaration on Human Rights.



Sustainability

Lendlease has been signatory to the United Nations Global Compact since 2014. Lendlease is also a participant in the Task Force of Climate Related Disclosures (TCFD).



Our workforce

As a project-based business, our global workforce comprises the following breakdown:

Global Lendlease Workforce

Employee Type ¹	Number	% of Total Workforce
Casual	796	7.31%
Fixed Term	343	3.15%
Permanent	9,751	89.54%
Total	10,890	

Around 7.3% of our total global direct workforce comprises migrant workers² on visas.

Refer to the [Lendlease Group Annual Report 2020](#) for further information.

1. Remaining estimated development end value.

1. Employment Type: 'Casual' are non-permanent workers engaged under an enterprise award with minimum rates of pay and allowances for base-skilled administrative work. Fixed Term employees are engaged for a defined term with a specified end date for project-related work. 2. Migrant workers are direct employees of Lendlease, engaged on a permanent basis who have a visa attached to their employment and have been recruited for specific professional expertise that cannot be sourced locally.

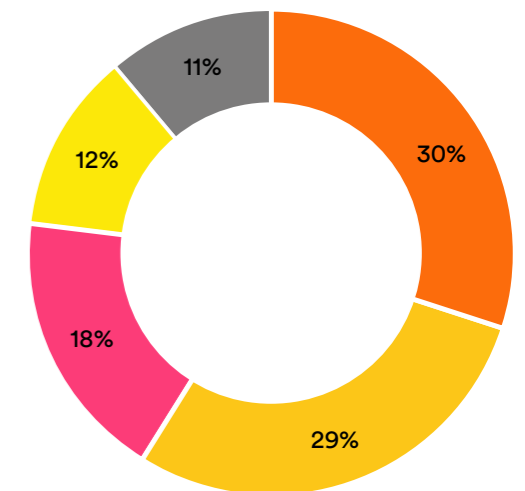


Supply chains

Lendlease had approximately 20,000 direct suppliers from whom invoices were received during the reporting period. More than 80% were private (non-publicly listed) entities.

The following graph shows global annual spend breakdown by top 5 supply chain categories. Services comprise mechanical engineering (electrical and hydraulic), which has the highest share of the spend, closely followed by structural, which consolidates concrete, steel, aluminium, and glazing (facades).

Top 5 Global Spend Categories FY20



- Approx. 440,000+ Invoices raised
- Approx. 20,000 Suppliers
- Approx. 570+ Delivery projects

- Services
- Structure
- Finishes
- Running costs
- External works

The following graph provides a proportionate breakdown of suppliers, spend and projects by region.

Australia uses the largest share of suppliers (71%), projects (60%) and total spend (55%). Many of those suppliers are either based in Australia or have Australian-based subsidiaries. The Americas follows with 14%, 24% and 34% respectively.

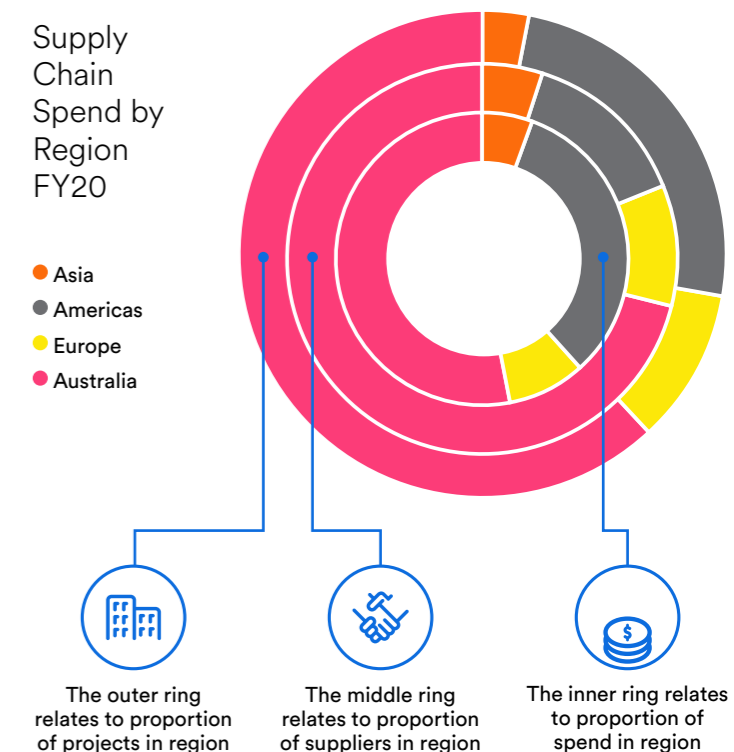
Our Europe operations use 10% of total Lendlease suppliers, 10% of projects and 9% of total spend.

Our Asia operations use the smallest proportion at 5% of total suppliers, 6% of total projects and 3% of total supply chain spend respectively¹.

Lendlease has strategic supply partners with whom we engage on multiple projects across the globe. These partners supply commodities and products such as concrete, steel, façade aluminium, and mechanical engineering products and services, which comprise our highest proportions of total category spend.

Strategic supply partners comprised 12% of total annual spend during the reporting period.

Supply Chain Spend by Region FY20



1. This data relates to our operations in Singapore and Malaysia.

Modern slavery risks in our operations, supply chains and controlling subsidiaries

As we progress with embedding our supply chain risk systems and processes, we are taking a phased approach toward improving transparency across our direct and extended supply chains throughout our operating regions.

We follow the [UN Guiding Principles on Business and Human Rights](#) in scoping potential modern slavery risks that we may either cause, contribute to, or to which our operations may be directly linked'. Our assessment has considered these risks in the context of:

- our direct operating conditions;
- labour conditions in connection with the materials we source; and
- labour conditions of indirect labour used in our operations.

Health and safety risk is the most salient human rights risk across Lendlease's operations. Lendlease comprehensively responds to this risk across all its direct operations through its [Group Policy on Health and Safety](#) and the [Lendlease Global Minimum Requirements](#). All suppliers and their supply chains are required to observe these policies when working on our projects. Our Health and Safety expectations are also conveyed in our [Supplier Code of Conduct](#).

Sector-Based Modern Slavery Risks Labour

The construction sector has experienced longstanding demand for low-skilled, manual, often migrant labour, which makes it particularly vulnerable to risks of debt bondage, human trafficking and forced labour practices. The indirect use of site labour utilising low skilled manual work recruited for sub-contractors by labour hire agencies, is an area requiring greater transparency across the construction industry.

For asset operations, soft services such as cleaning, property maintenance and security, exist in a price competitive low margin market, sometimes relying on low-skilled migrant labour for viability. This creates preconditions for vulnerable workers to be exposed to a range of modern slavery-like practices.

Similarly, concerns have emerged for asset managers over tenancies operating in sectors with increased modern slavery risk exposure such as hospitality, beauty and other personal services.

Materials

The construction supply chain comprising millions of raw materials and components that go into a building is long, fragmented and complex. Materials are sourced, processed, assembled and finished, traversing several countries, some of which have an elevated risk of modern slavery. These production phases are transient and, in the property and construction industry, have not been readily traceable to the end user.

Assessing our Modern Slavery Risks

Lendlease is in the early stages of a comprehensive mapping of its supply chains. A modern slavery risk heatmapping tool has been developed to map our global supplier categories against countries with elevated risks of modern slavery.

An initial desktop risk analysis has been undertaken to assess 'macro-level' exposure of our regional operations to modern slavery. Informed by research from a range of sources including UN Global Slavery Index, US State Department (country analyses), and ILO Department of Statistics, the risk profiling considers types of modern slavery risks, regulatory regimes for migrant workers, and country-level migrant labour intake programs.

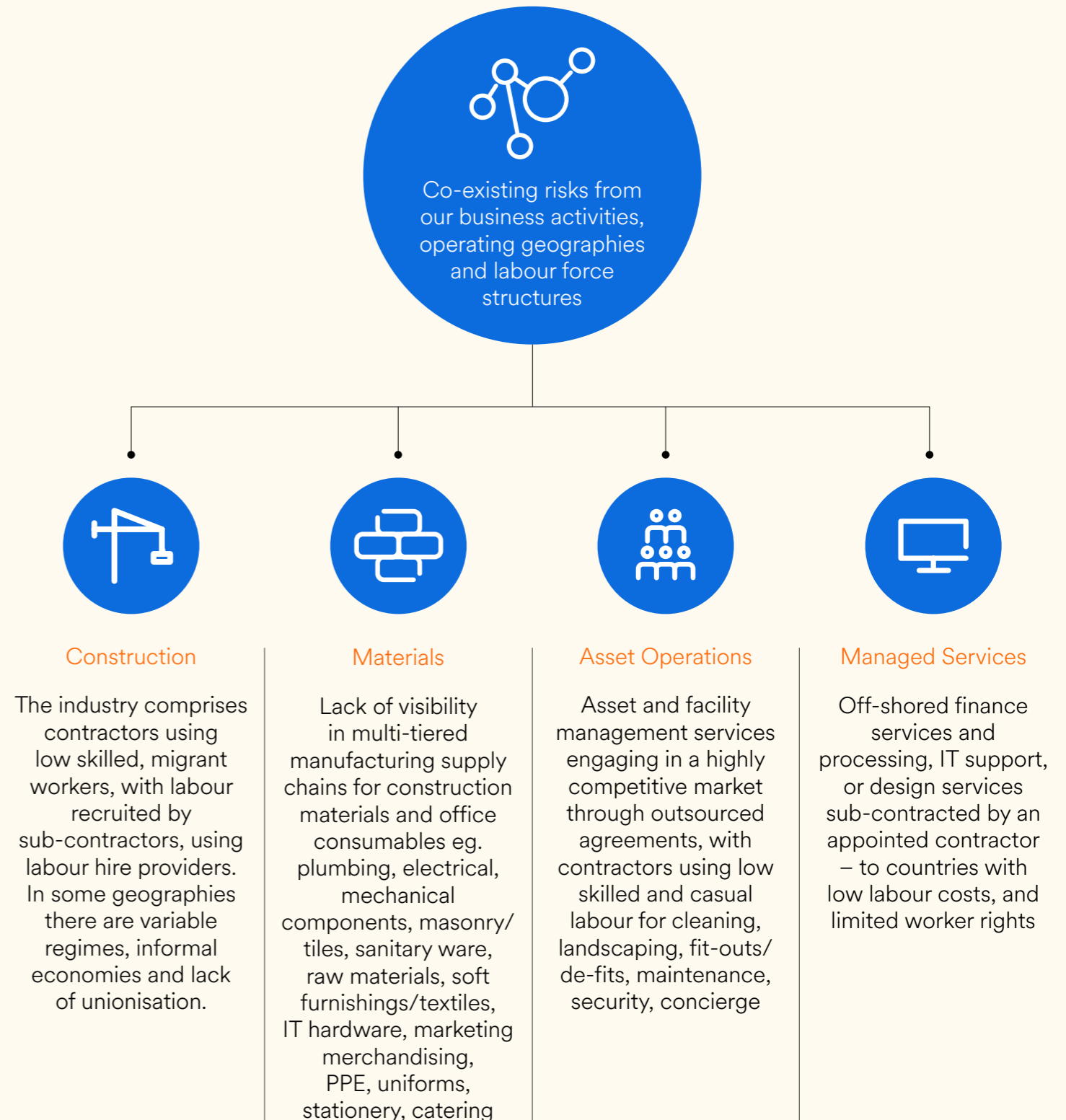
Geography is a key risk consideration, not only in terms of product provenance, but also concentration of human rights risks. For instance, many of the materials and products used in our Australian and European operations are reliant on upstream supply chains that originate from Asia.

Whilst our Asia region comprises the smallest proportion at 5% of total suppliers, 6% of total projects and 3% of total supply chain spend, in light of the high estimate of victims of forced labour in the region and also the sector growth projected to occur over the next decade, we recognise this region has an elevated modern slavery risk exposure.

Increased transparency around labour conditions, either through labour providers used by our sub-contractors, or in our supply chain is our immediate area of focus. Our key focus are labour rights breaches, which comprise the spectrum of worker conditions and entitlements that may be breached ranging from pay levels, hours worked, to provision of employment contracts setting out terms of work, but this focus also extends to the more serious forms of exploitation which constitute modern slavery.

The following diagram shows the types of modern slavery risks that may apply to Lendlease.

Modern Slavery Risks



Actions taken to assess and address our modern slavery risks, including remediation



Lendlease is in the process of embedding an enterprise wide supply chain risk management framework. Modern slavery risk mitigation is a key component of this framework.

During the reporting period, our priority has been to establish the foundations for a more systematic, consistent and standardised risk mitigation strategy.

Engagement through our regional Modern Slavery Communities of Practice (which include representatives from legal, risk, sustainability, operations and supply chain across 8 countries), has focused on awareness raising of modern slavery risks and capturing a baseline of regional activities currently being undertaken.

Our Policies, Systems and Processes

We operate several global policies to ensure we act ethically and with integrity and observe fundamental aspects of human rights in all our business relationships. These include Employee Code of Conduct, Health and Safety, and Diversity and Inclusion policies. Further details may be found on the [Lendlease website](#).

Lendlease Global Minimum Requirements

Safety is our first priority. Lendlease's Global Minimum Requirements (GMRs) is our EHS management system that applies across all of our operations and applies to our sub-contractors as a contractual requirement. GMR 3 "Establishment - Places that Care" sets out minimum requirements for worker welfare and accommodation facilities, appropriate working hours and operational approaches for mitigating personal injury risks on site.

Supplier Code of Conduct

We developed a new Supplier Code of Conduct setting out our expectations on a range of issues including health and safety, sustainability and the environment, labour practices, modern slavery, materials quality, anti-trust and anti-corruption and data protection.

A staged approach has been taken in implementing the Supplier Code, focussing on awareness raising as the initial stage of implementation. Staged communications were rolled out across our China and Japan operations.

This would then extend to Australia, Italy, Malaysia and Singapore during FY21, to coincide with a new Supplier Portal rollout, followed by the Americas and UK operations. The rollout program has been interrupted by COVID-19 restrictions but is expected to resume during FY21.

Group Conduct Breach Reporting Policy (including Whistleblower)

Lendlease complies with the requirements to have in place a Whistleblowing Policy through its Group Conduct Breach Reporting Policy. The Policy covers:

- Protections and support available to whistleblowers;
- Who can receive qualifying disclosures; and
- How the company will investigate qualifying disclosures.

We integrated modern slavery concerns into this Policy, referenced through the Supplier Code of Conduct. As the Supplier Code of Conduct is the cornerstone of our expectations of suppliers, the integration of modern slavery and the inclusion of a nominated pathway for a supplier (or a worker) to raise concerns through Ethics Point,

ensures maximum coverage across our supplier base. As the Supplier Code is available in multiple languages reflective of our regions, this further ensures accessibility of the Code.

Our legal teams also received specific practitioner level training on modern slavery risks and incident management, contextualised within crisis management and whistleblower procedures.

Supply Chain Systems

We are also phasing implementation of an enterprise wide web-based platform to facilitate supplier registration and screening (our new Supplier Portal). The Supplier Portal acts as a gateway to working with Lendlease providing a single point of entry for our entire supply chain across all regions and acts as a pre-requisite to any region-specific supplier engagement process.

Modern Slavery Risk Heatmapping

Developed in-house, this risk heatmapping tool brings together Lendlease spend data and third party social and environmental risk indicators providing an objective assessment platform, giving visibility to where spend occurs and flagging supplier categories with potentially increased exposure to human rights risks. During the reporting period, the tool was built and is now pending piloting.

Modern Slavery due diligence is helping us to better understand the social impact of our procurement decision making.



Due Diligence Processes

We acknowledge that due diligence provides the most effective insights when conducted in concert with other measures including regular supplier dialogue, seeking out worker voice and third-party risk intelligence.

Lendlease Risk Appetite Framework

Our new global Framework sets defined Board-approved boundaries for the organisation and its employees, within which all business activities must be carried out. The Framework recognises modern slavery risk as referenced within Lendlease's Supplier Code of Conduct.

Further details on Lendlease's approach to risk management may be found in the [Lendlease Group Annual Report 2020](#), page 60.

Supplier Screening

Our new Supplier Portal contains some globally consistent specific questions addressing modern slavery risk factors. As part of the screening process, certain suppliers who are determined to have a higher inherent risk on the basis of their responses, will be screened for compliance and integrity risks using an external data service.

Supplier Qualification

Working progressively across our regions, our existing processes for supplier qualification contain labour rights questionnaires historically embedded within safety, workplace compliance and sustainability screening. During the reporting period a refreshed template questionnaire (more specifically targeting modern slavery) was developed with annotated guidance for suppliers and normative response guidance to assist reviewers. COVID-19 interrupted implementation, which is anticipated to resume in FY21.

Standard Contracts and template clauses

In addition, a set of contract template clauses addressing modern slavery risk, anti-bribery and anti-corruption and adherence to the Supplier Code of Conduct were developed for inclusion in Lendlease major standard contracts globally. Implementation of the clauses has commenced, prioritising critical supplier categories in the first instance. Over time these clause will be inserted into supplier contracts.

Audit

We began the early stages of an enterprise-wide supply chain audit program for use in FY21, with a priority focus on labour. Progress for site-based audits however, has been interrupted due to access restrictions resulting from social distancing and international travel restrictions from COVID-19.

Regional Responses

Asia

Our Asia region is an example of where our projects comprise the lowest share of spend, but their operating context may carry an elevated modern slavery risk exposure.

Since 2015, Lendlease Asia has had in place a Supply Chain Sustainability Responsibility Declaration (Declaration) which is a condition of engagement as part of its tendering process. The Declaration operates as a Supplier Code of Conduct for our China, Singapore and Malaysia operations, setting out comprehensive expectations around safeguarding labour rights and conditions for workers on Asian projects.

The Declaration was in effect during the first half of the reporting year. It has now been superseded by the Lendlease global Supplier Code of Conduct as new suppliers are onboarded.



UK and Italy

Lendlease Europe is a founding member of the Achilles - Building Confidence Community of Practice. The construction industry pre-qualification scheme collects and validates information on suppliers and the products and services they supply to the Tier 1 construction sector members in the UK.

The audited pre-qualification process, occurs annually, and includes checks on ethical procurement, child and forced labour, anti-bribery and corruption, sustainable products, living wage and working hours. This was recently updated to include a new section on modern slavery and members' supply chains adherence to the UK Act.

During the reporting period, Lendlease commenced an on-site labour audit program, targeting the top 50 critical suppliers for its UK construction operations. Whilst the advent of COVID-19 has interrupted progress, audits are expected to resume in FY21.

Refer also to the case study at the end of this section on Living Wage Policy and Labour Practice Guidelines.

Australia

In Australia, Lendlease embarked on a review of indirect labour usage within its Australian operations. This review revealed opportunities to centralise onboarding, streamline sourcing, engagement and management, as well as augmenting screening measures on modern slavery / labour rights risks for prospective temporary labour providers.

As a result, a new centralised operating model for sourcing office based contingent labour came into effect. A review of site-based labour is now in progress.

Americas

Our Americas operation has been using an industry standard Prequalification Management (PQM) system to inform the screening, selection and risk management of subcontractors.



Remediation

Remediation in a human rights sense is about 'putting things right' for the person(s) experiencing a human rights breach. Depending on the management of the crisis, or contract obligations, a response may involve a business process change, an education campaign, corrective action or payment of compensation.

At Lendlease, our approach to remediation is intended to align with the [UN Guiding Principles on Business and Human Rights](#) with responses specific to the relevant circumstances and managed through our crisis management framework. This may mean reviewing a supplier's adherence to the Supplier Code of Conduct, invoking corrective action under the supplier's contract, payment of compensation, or, if an industry-wide systemic issue is detected, public advocacy for change. Our commitment to safety also provides the framework to strive for a victim-centred approach.

Ethics Point

This is our global platform for confidentially logging concerns around improper conduct. It is cited as the avenue for raising concerns under

the Supplier Code of Conduct and is accessible in local languages. Links to Ethics Point are accessible on the Lendlease website, and site posters designed during the reporting period, in local languages, include a hotline. These are being rolled out in FY21 and supplemented with specific 'tool-box' talks.

Training

Lendlease regularly contributes to industry-level training and knowledge sharing to build industry capacity and inform sector-specific training on modern slavery, through the Supply Chain Sustainability Schools in UK and Australia, Infrastructure Sustainability Council of Australia, Australia Industry Group, Property Council of Australia, and other industry organisations.

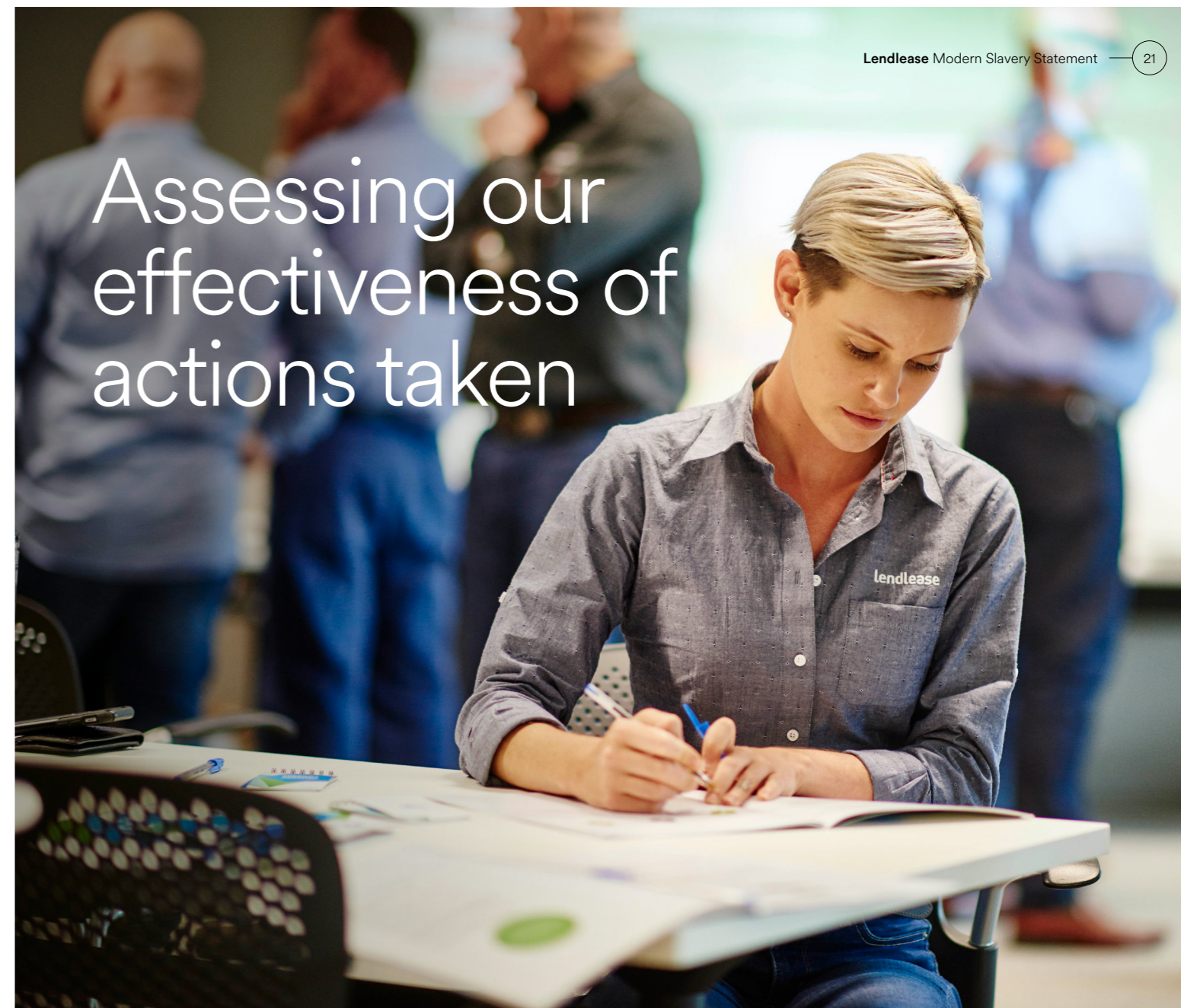
Within Lendlease, a suite of tools and guides has been developed and made available through our internal Supply Chain microsite for employees to readily access. Our Lendlease Modern Slavery Guide provides a practical go-to reference in understanding the issues around modern slavery and guidance on what to do if an employee spots something suspicious.

Modern Slavery awareness training sessions have also been held for targeted groups across the Lendlease regions including senior leaders, our regional Modern Slavery Communities of Practice members, our regional legal teams and a range of major projects in Australia.

For suppliers, we have companioned our Supplier Code of Conduct with FAQs to make it easier to understand, in local languages available externally on our website. Prior to COVID-19, we engaged around 60 Australian suppliers and clients in modern slavery capacity building and scenario workshops. COVID-19 restrictions have since interrupted the opportunity for face to face capacity building workshops with our suppliers, but project-level training is anticipated to resume during FY21.

To continue to raise awareness of modern slavery risks on our projects, toolbox talks and posters have been developed and are in the process of implementation for key Australian project sites.

Assessing our effectiveness of actions taken



Case Study: London Living Wage and Labour Practice Guidelines

Lendlease Europe introduced two new policies during the reporting period: Living Wage Policy and Labour Practice Guidelines.

As a minimum standard, Lendlease will pay to its Lendlease UK staff the prevailing Living Wage rate as calculated annually by the [Living Wage Foundation](#) and will mandate the same for its contracted staff and supply chain staff. The Living Wage Policy applies to Lendlease UK staff including apprentices, regular third-party contractors directly engaged by Lendlease and staff employed within the Lendlease supply chain deployed on Lendlease sites or premises or otherwise employed in the delivery of contracts for Lendlease. Compliance with the Policy will be monitored through labour practice audits.

Complementing this are the UK Labour Practice Guidelines which specify Lendlease UK's expectations of its suppliers when engaging labour ranging from recruitment, right to work, contract of employment, pay, to modern slavery, business integrity and occupational health screening.

We defined three main approaches to determining the effectiveness of our efforts in tackling modern slavery through:

- Prevention;
- Responsiveness; and
- Collaboration.

In FY21 we expect to progress our engagement within Lendlease and with our suppliers and external stakeholders to develop a suite of reportable key performance indicators.

Prevention

We are changing the operating environment toward routine risk-based approaches via supplier assessments. These will contribute to early warning opportunities for intervention across our supply chain. We consider these measures foundational in addressing modern slavery risks in a pre-emptive way.

During the reporting period we engaged:

- over 60 suppliers in modern slavery capacity building workshops; and
- around 150 employees (including specialist supply chain managers, legal personnel, project teams, senior leaders and members of regional Modern Slavery Communities of Practice) in modern slavery training;

and our supply chain portal microsite was upgraded with tools and content including the Modern Slavery Guide, with supporting broadcast email by our Chief Executive Officer and Managing Director across our global workforce.

Responsiveness

During the reporting period, no reports were logged regarding modern slavery or labour rights concerns through Ethics Point, or through other channels as far as we are aware.

Collaboration

Third party feedback on our effectiveness in assessing our modern slavery risk is an area that has also been interrupted due to COVID-19. Our aspiration is to strive towards normative best practice, in setting the operating parameters for detecting and tackling modern slavery risks.

We sought feedback and insights from a range of industry experts and ESG analysts, as well as from the UN Global Compact Network and the Australia Modern Slavery Community of Practice.



Our consultation process with subsidiaries in preparing this Modern Slavery Statement



As an integrated business that has been traditionally project-based, the consultation between subsidiaries of Lendlease Group has been an action critical not only to understand the differing manifestations of modern slavery risks across our operations, but also to effectively embed new processes and tools to mitigate those risks.

To achieve this, a Modern Slavery Community of Practice (MS CoP) was established in each region, meeting periodically to consider local modern slavery risks, in their own operations and supply chains. Representatives include sustainability, supply chain, risk, legal, and operations functions from construction, investment, development, and infrastructure businesses.

Key objectives of the MS CoPs are to:

- Provide a 'safe space' to examine the most pressing human rights/modern slavery challenges /risks and opportunities in Lendlease 's local supply chains;
- Identify pockets of excellence to leverage and share across other businesses; and
- Develop and support implementation of systemic actions and measures for human rights / modern slavery risk assessment, mitigation and remediation.

The MS CoPs have been a critical channel for advancing the development of enterprise level tools and initiatives, including Lendlease's new Supplier Code of Conduct, globally consistent modern slavery template contract clauses, modern slavery awareness training, data and case studies for modern slavery reporting, and engagement in the development of a new Supplier Portal.

The following diagram shows the governance structure of the MS CoPs and their relationship to the leadership of the organisation.

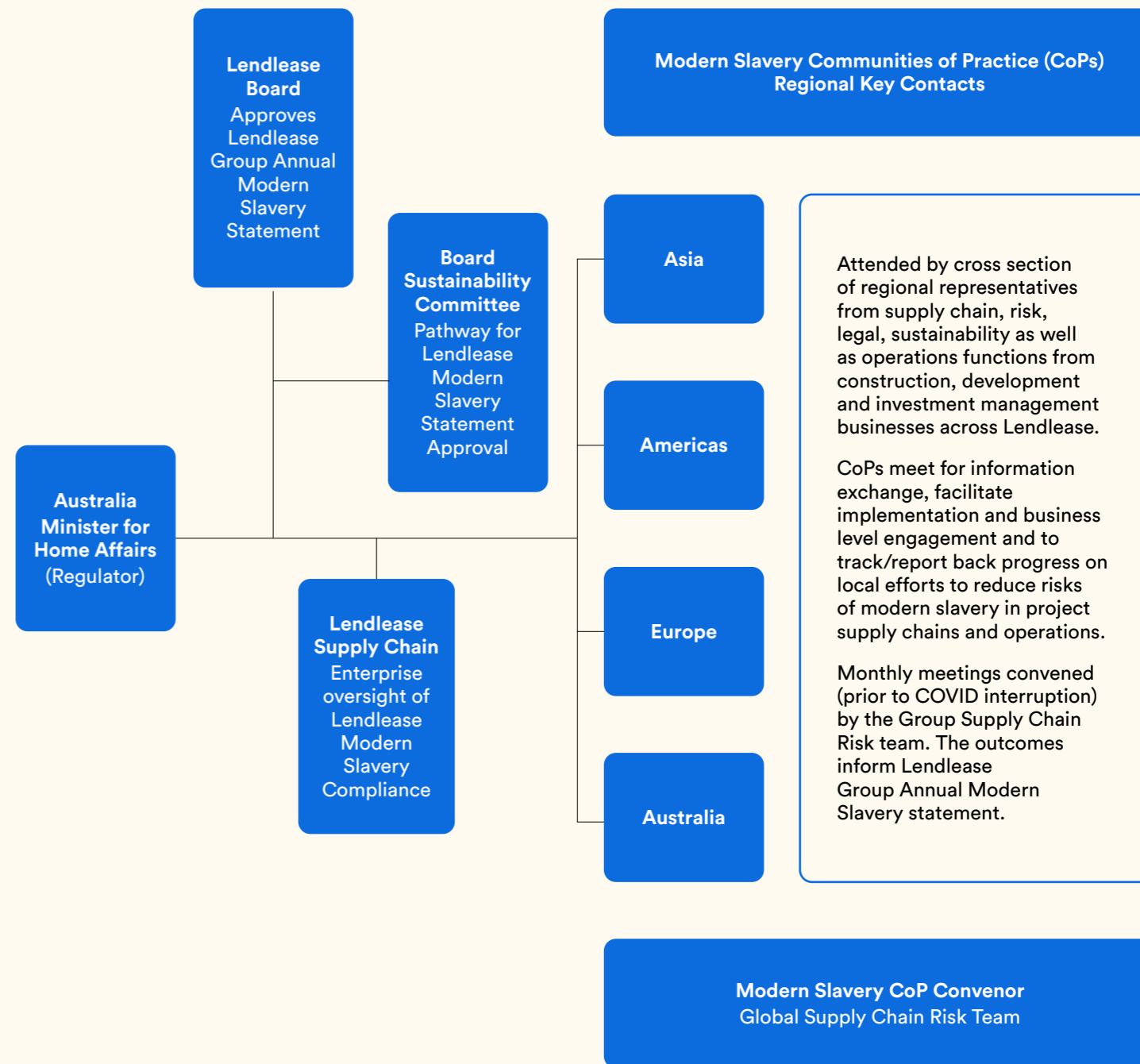
Orientation presentations are also regularly delivered to Regional Leadership, Business Unit Leadership teams, who represent the construction, development and investment businesses of Lendlease.

Group Supply Chain also participates in cross-business unit working groups and has facilitated advice and guidance on modern slavery risk issues for Lendlease subsidiaries.

Engagement has also extended to guiding and supporting excluded entities associated with Lendlease, to access and follow policies and procedures of the Lendlease Group to promote consistency in applying risk-based approaches to mitigating modern slavery risks, within excluded entities' respective operations.

Additionally, in the case of each of the entities reporting under the Australian regime and the United Kingdom's regime, stakeholders from these businesses were engaged in the development of the Statement.

The following diagram shows the governance structure of the MS CoPs and their relationship to the leadership of the organisation.



Other relevant information

We recognise tackling systemic modern slavery practices in global supply chains requires strong collaboration not only with suppliers, but government, industry and civil society.

Engagement with External Stakeholders

Lendlease is in the early stages of its engagement journey, but greatly values the insights and perspectives gained from an industry and civil society approach to this issue.

During the reporting period Lendlease has participated in a range of multi-stakeholder forums including:

UN Global Compact Network Australia - Modern Slavery Community of Practice:

Lendlease is an active member of the working group comprising Australian signatories to the UN Global Compact. We collaborate in regular forums and participate in sharing insights and capacity building on human rights and modern slavery issues.

Property Council of Australia, Modern Slavery Working Group:

Lendlease has participated in this forum, which championed the establishment of an industry supplier platform, developed by informed365, for standardising modern slavery risk screening.

UK Living Wage Foundation Accredited:

Lendlease Europe, has become an accredited employer under the Living Wage Foundation. Initially accredited for the Elephant Park urban regeneration project in 2018/19, "Real Living Wage" accreditation now covers staff and those of our supply chain working on Lendlease sites and offices in the UK.

Partnerships, Supply Chain Sustainability School (UK and Australia):

Lendlease is a member of the School's Australian Board and a partner in the School's UK arm. Lendlease actively contributes to the School's content development and programs, including construction industry awareness training on modern slavery in materials supply chains.

Partnership, Social Enterprise UK (SE UK):

Lendlease is a partner and corporate member of SE UK's 'Buy Social' Corporate Challenge. The initiative is a coalition of business aiming to collectively spend £1 billion with social enterprises.

Founding Member, Infrastructure Sustainability Council (ISCA):

Lendlease Engineering* is an active member of ISCA, and a contributor to forum engagement on modern slavery training, as well a coalition member on the infrastructure industry's response to COVID-19 and responsible supply chain management.

Social Traders, Australia:

As a member, Lendlease supports programs augmenting the mix of social enterprise businesses into project supply chains of its Australian projects.

Responsible Steel:

Lendlease is an active member in the industry's first global multi-stakeholder standard and certification initiative. This NGO focuses on standard setting and improving all aspects of responsible sourcing and reduce risk in the steel supply chain.

Grace Farms Foundation Architecture + Construction Working Group:

Grace Farms, a US not for profit, collaborates with industry and government across a range of interdisciplinary humanitarian initiatives. Lendlease has been a participant in Grace Farm Foundation's Architecture and Construction Working Group, actively contributing to awareness raising sessions on addressing modern slavery in the built environment. The Working Group comprises leading design, architecture, engineering and construction experts, driving the "Design for Freedom" movement. The aim is to develop a range of institutional responses to disrupt modern slavery in the built environment and move toward slave-free buildings and materials supply chains.

Modern Slavery Expert Advisory Group, Department of Home Affairs:

Our Senior Manager for Supply Chain Risk has been appointed as a member to this newly established forum, focusing on industry implementation of the Australian Modern Slavery legislation.

Looking ahead



Whilst the advent of COVID-19 has validated our strategic approach, it has also interrupted implementation momentum across our operating regions. We are nonetheless in the early stages of our journey and recognise there is much more to do.

Eliminating modern slavery risks from our supply chains remains a resolute commitment, as we continue to progress our initiatives in collaboration with our suppliers, our people and our stakeholders.

During FY21, Lendlease intends to increase its efforts to improve supply chain transparency with a phased, risk-based approach. Proposed key areas of focus include:



Mitigation

Progressing regional labour risk mitigation actions and category heatmapping



Analytics

Progressing our analytics for supplier screening, segmentation and risk analysis



Processes

Embedding our Supplier Code, templates and frameworks within our business processes



Audit

Progressing our audit program focusing on labour risks



Engagement

Progressing engagement with critical suppliers and civil society

*During the latter part of the reporting period, Lendlease Engineering was in a sale process which was completed on 9 September 2020.

This Statement for financial year 2020 is made pursuant to section 14 of the *Modern Slavery Act 2018 (Cth)* and section 54 of the *Modern Slavery Act 2015 (UK)* and constitutes Lendlease Group's Modern Slavery Statement.

The Statement has been approved by the Board of Directors of Lendlease Corporation Limited, on behalf of the joined reporting entities, including Lendlease Europe Holdings Limited, who will review and update it as necessary, annually.

Lendlease Corporation Limited

Signed:  _____

Director name: Stephen McCann _____

Date*: 10 December 2020 _____

Appendix 1 - Notes to Statement Boundary

a) Reporting Scope

Parent Entity

All entities within the Lendlease Group are subject to the same group policies and procedures (with the exception of some local variations which are not relevant for present purposes). The information provided in this Statement in response to the reporting criteria specified in the *Modern Slavery Act 2018 (Cth)* apply to: (a) all of the reporting entities; (b) all of their subsidiaries; and (c) all other entities owned or controlled by those entities. See also section 6 in the Statement above.

This Statement also recognises that the Lendlease engineering business, comprising the following entities:

- Lendlease Engineering Pty Limited
- Lendlease Construction Australia Finance Pty Limited
- Lendlease Construction Australia Holdings Pty Limited
- Abigroup Limited

were the subject of a sale process during the reporting period, which was completed on 9 September 2020.

b) Concurrent Reporting Under the UK Modern Slavery Act

As noted earlier, this Statement is being submitted by Lendlease Corporation Limited on behalf of all the Lendlease related entities required to report under the *Modern Slavery Act 2018 (Cth)*, subject to section c) of this Appendix.

This Statement is also being submitted by Lendlease Corporation Limited on behalf of Lendlease Europe Holdings Limited, pursuant to section 54 of the *Modern Slavery Act 2015 (UK)*. Lendlease Europe has been separately reporting on its UK operations and its responses to modern slavery and human trafficking in accordance with the *Modern Slavery Act 2015 (UK)*.

Lendlease Europe is a wholly owned subsidiary of Lendlease Corporation Limited, and is structured as per Diagram 1 on page 28.

With the introduction of Australia's modern slavery legislation and the mandatory nature of that regime's reporting criteria, Lendlease Group has decided to prepare and submit one global statement covering the Group's international operations.

This Statement therefore is intended to satisfy the disclosure requirements of both the UK and Australian Modern Slavery regulatory regimes.

c) Excluded Entities

There are equity accounted investments not controlled by Lendlease Corporation Limited but with access to Lendlease systems and resources through management agreements with the subsidiaries of the Lendlease Group.

For those entities falling within the reporting criteria of the Modern Slavery Act 2018 Cth, separate Modern Slavery Statements will be tendered. For further information, refer to Notes 12 and 13, Section B - Investments, in the Notes to Consolidated Financial Statements within the Lendlease Annual Report 2020 (p167-172).

d) Joint Ventures

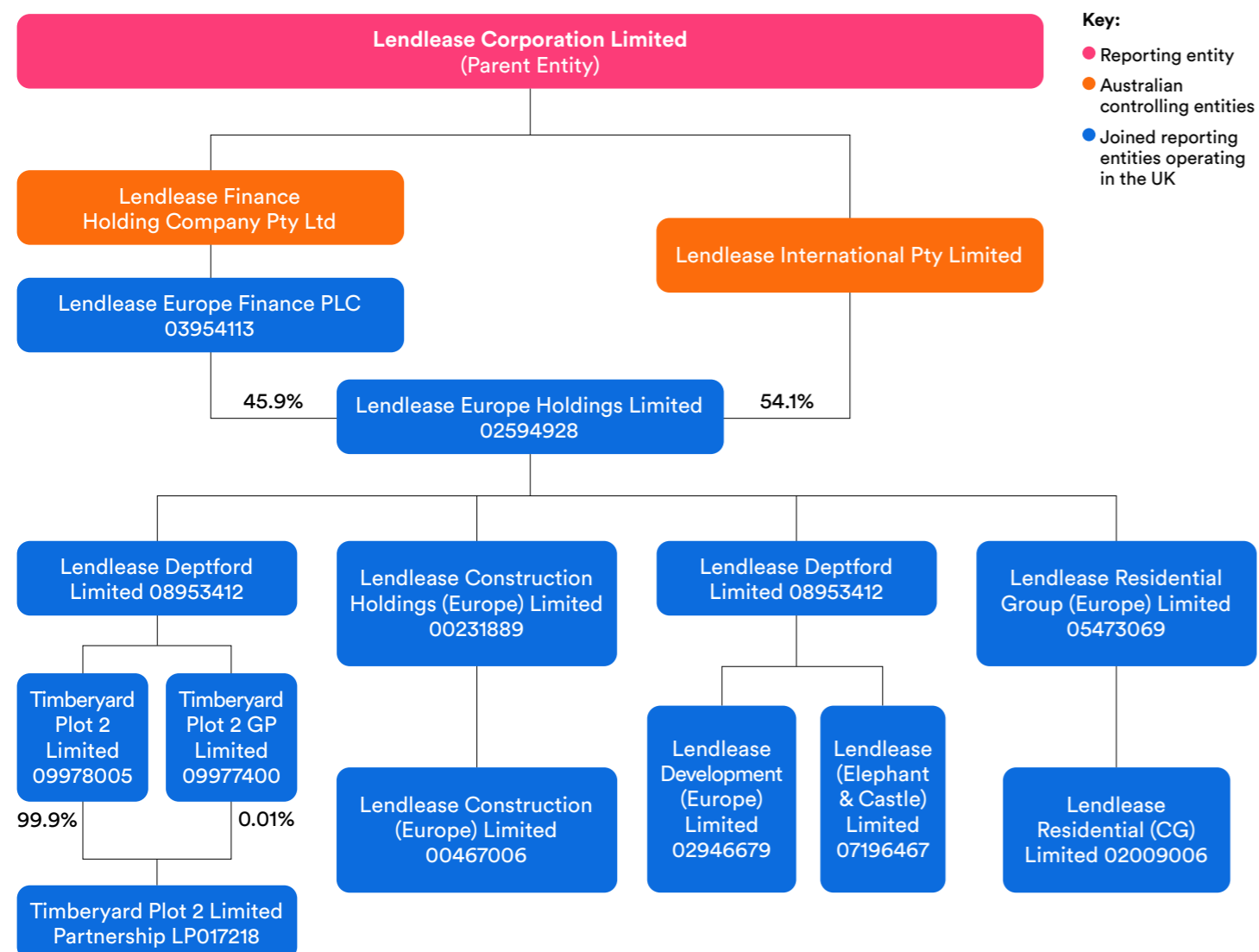
Lendlease is party to several unincorporated joint ventures for construction and infrastructure projects.

Lendlease will strive to implement its modern slavery risk mitigation measures, as set out in this Modern Slavery Statement, for joint ventures where Lendlease has operational control for the delivery of the joint venture project.


For joint ventures where non-Lendlease entities have operational control for the delivery of the projects, Lendlease relies on those entities to implement modern slavery risk mitigation measures but will seek to consult with the operating entities on those measures.


Diagram 1. Wholly-owned European subsidiaries of Lendlease Corporation FY20


The following identifies Lendlease entities operating in the UK which exceed the annual turnover threshold under the Modern Slavery Act 2015 (UK).



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